TALENT, LEADERSHIP AND LEARNING

At a Zoom Roundtable on 5th September, CRF's Talent, Leadership and Learning Community came together to discuss strategies around attraction, employee/candidate experience, and the challenges of the current labour market.

This summary shares some of the key insights from the discussion.

OVERVIEW OF THE ISSUES

CRF's Managing Director Richard Hargreaves, Commercial Director Melissa Bull, and Research Director Gillian Pillans launched the discussion by reviewing the issues.

First, what is CRF hearing from the Community about talent attraction? Several key themes emerged:

- There are lots of factors colliding at once in the current global labour market: latent demand from companies after the pandemic years; high inflation; increasing costs of living and therefore salaries; and, paradoxically, relatively high UK employment rates.
- These factors are reflected in the high rates of recruitment and turnover that many companies are experiencing. As a result, the recruitment sector is booming, as organisations struggle to fill roles at all levels.
- Candidates for jobs are often fielding multiple offers, comparing the EVPs of each to find the one that best suits them. This means that companies are having to consider more flexible working patterns, higher salaries and other non-typical benefits in order to attract the talent that they need.

In summary, attracting and keeping talent is a pressing issue for companies today – and one that isn't like to go away any time soon. Rethinking recruitment strategies, and the lengths that policy can stretch to in order to accommodate candidates' requirements, is a crucial step in keeping pace with the market. Almost everyone is finding it more difficult to attract talent, but which sectors are struggling the most, and how can companies stand out to applicants?

Compared to twelve months ago, how hard are you finding it to attract talent?

Much easier	0%
Easier	3%
About the same	20%
Harder	67%
Much harder	11%

Poll 1

WHAT ISSUES ARE COMPANIES FACING WHEN TRYING TO ATTRACT TALENT IN THE CURRENT MARKET?

- The majority of attendees reflected that they were finding it somewhat or much harder to attract talent, suggesting a conversation about how to tackle this may be overdue. In short, as one attendee put it, "it's a challenging talent acquisition environment."
- Several attendees – including one from South Africa, another from Scotland and one from Bulgaria – said that recruiters from the UK and US are searching more aggressively in their traditional jurisdictions, offering 100% remote roles. This helps to create geographical diversity for companies, and offers new opportunities to recruit, but also implies that the pool of potential recruits in almost every part of the global market is being strained.
- One of the running themes of the discussion was that many candidates are not interested in roles unless they offer a high degree of flexibility. As these examples show:
  - » Most companies and organisations are still sticking to the minimum two days in the office rule, to the potential detriment of their search for talent. In the words of one attendee, "we know we are losing some good candidates who insist on wanting to be more flexible, but we're living with that at the moment."

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» Something that one attendee reported hearing regularly from candidates is: "actually, I want much more flexibility than that. I'm really happy to come in on occasion but when I come in, it's around collaboration and connection. It's not to sit at a desk and do my emails."

» Another quipped that their "hiring managers [have] a champagne taste on a beer budget", which is leading to an unusually high rate of turndown for job offers. This was initially suggested by someone in healthcare, bur was also reflected by a public sector attendee.

• Another problem is that there is so much movement in the market that people are only just settling into one job before being asked if they'd be interested in another. In the words of one attendee, "it's difficult to find potential candidates that haven't just made a career move", further limiting the pool of available talent.

Pick two of the below categories which are proving the most difficult to find talent.

Category	%
Digital skills i.e. data analysts	59%
Diverse talent	46%
Function-specific skills i.e. HR, Finance	36%
Customer facing roles	18%
Senior leadership	13%
Middle management	14%
Early careers	13%
Something else	5%

Poll 2

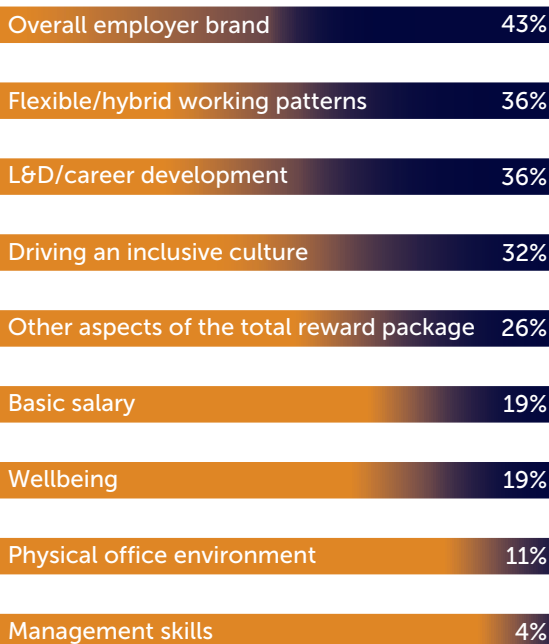## WHICH SECTORS ARE FACING THE GREATEST CHALLENGE IN ATTRACTING TALENT?

• Recruitment in the technology space was reported to be particularly tight, with one attendee suggesting that, contrary to previous years, filling front-line and entry-level technical positions is currently more difficult that filling senior ones.

• One of the biggest areas of labour drought is, perhaps unsurprisingly, in the technical areas of manufacturing and technology, particularly within supply chains that were already facing major challenges.

» This is especially true in the Middle East, according to one attendee, where there is a small and fragmented manufacturing sector which means most candidates have limited opportunities to access the necessary training, such as exposure to the 'Integrated Working System' or 'Continuous Improvement System' which are in high demand by employers.

• Diverse talent was discussed several times as a major deficit that recruiters and companies are facing at the moment, as almost half of attendees reflected that this was one of their top two challenges.

» One of the reasons for this is that hiring people whose background or skill set fall outside of the traditional role description can mean that they need more time to get up to speed, even if the end result of that process is that they are the ideal candidate. As one attendee explained, "quite often that involves accepting that the candidate that you get in might not be the person that can come and sit in the chair and do the job now, but it's someone you could develop into that role." This means that companies who need someone in role right now can't afford to take a bet on these candidates, reducing the diversity of their talent.

» However, some companies are taking the opportunity to re-evaluate their approach and try to reach out to new talent groups for them, such as "career changers and career returners".

• One attendee suggested that, as the labour market stands, there's little distinction between the significance of the roles they're hiring for, as they're all urgently needed: "We can't hire endlessly, and we can't afford to hire every two minutes for the same roles. So, every hire is a really critical hire. It doesn't matter whether it's a customer facing role on the helpdesk, or if it's a senior role in our risk compliance team. We have to get all of them to work, and work hard, straight away."

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Which two of the following are you focusing on most in order to attract the talent you need?

Overall employer brand	43%
Flexible/hybrid working patterns	36%
L&D/career development	36%
Driving an inclusive culture	32%
Other aspects of the total reward package	26%
Basic salary	19%
Wellbeing	19%
Physical office environment	11%
Management skills	4%

Poll 3

WHAT SOLUTIONS ARE CURRENTLY BEING EXPLORED?

- Several attendees reported that the challenge of finding talent has led them to re-evaluate their Employee Value Proposition, in many of the areas reflected in the poll, or that they have seen others in their sector doing so. This was reported to take many forms, including:
  - » Monetary benefits, such as several thousand pounds in joining fees, bonuses, and higher salaries. For companies based overseas, especially in the Middle East, offering candidates the opportunity to be paid in US dollars helped them to stand out.
  - » Flexible working hours, for example reducing the amount of time in the office or reducing overall hours.

- Some companies, especially those where technical roles are business-critical, are turning to succession management, in the form of early career strategies and career development pathways, to find ways to 'grow' their own talent.
  - » However, some attendees, like those in the construction and engineering industry, felt that it is already too late to start doing this, because they don't have the option of hiring remotely when what they need is front-line workers. One attendee even suggested that they will be looking at lobbying the Government to change education pathways into their industry, to ensure that the future supply of talent isn't lost overseas.
- Many attendees identified managers, at all levels, to be a key part of the solution to attracting and retaining talent.
  - » While the saying goes that people 'join a company, leave a manager', one attendee suggested that the reverse is starting to happen: people are 'joining' for a particular manager (or team/department), who then in turn has to work hard to sell them on the ethos of the rest of the company.
  - » There was also some suggestion that upskilling managers to be more data literate, and more confident making decisions backed by data, would help them to improve the efficiency and efficacy of hiring and retention processes. In the words of one attendee, "I think using the data available and really understanding how to use data to understand whether [you're hiring] skill and capability for now or for the future is becoming more and more important."
  - » Several attendees have taken their managers "back to basics", in order to retrain them on recruitment and how to make their recruitment pathways more accountable and accessible.
- One strategy for encouraging candidates to stay in recruitment processes is to change the processes themselves.
  - » For one attendee, this meant making their candidate experience more personal, with a physical, human interaction marking key stages in the process. As they explained, "whether that's the hiring manager, or an agency that we're partnering with, or a recruiter, that candidate feels like they are joining an organisation that cares about them as an individual, rather than just joining a big organisation." In the words of another attendee, "it's all human lens and human touch…which has helped us stand out from the crowd".

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» For another, it meant guaranteeing a response at every stage, using automated communications like their CRM to ensure that no candidate's query or application gets lost.

» Others have been using video interviewing to make the process swifter and more accessible, particularly for candidates in more distant geographies.

» One attendee specified that they are making their process more agile, reducing the length of time that candidates spend waiting for responses from the company to avoid losing them to a more timely offer from a competitor.

» Another attendee suggested that they had spent more time on the specifics, "review[ing] the jobs boards we use" and "invest[ing] in reviewing our job descriptions, entry requirements/qualifications and also for entry level roles, [so we're] recruiting for attitude and then training skills." This also led to reducing the number of stages in interviews to help speed things up.

- One of the most popular solutions to stand out in the labour market and make the hiring process more accessible, that several attendees said their companies had implemented, is an 'insiders' program: a messaging platform for applicants and candidates to communicate with existing employees, to ask the burning questions that they might otherwise feel uncomfortable asking the hiring manager or their interviewers.

» For many candidates, this is preferable to messaging people at a company on LinkedIn, which can feel "much more formal".

» On one system, employees write a short 'blurb' about themselves and their roles, much like a social media profile, and candidates can then submit questions and discuss the role they're applying for with someone who's already doing it or something similar. These conversations are not visible to the company, to encourage open discussion, but provide analytics to inform future updates to the process. The attendee said their company has received some very positive reviews from candidates since they launched it 12 months ago.

» Another company used a system that allowed them to see the discussions, which then helped them to anticipate future queries and concerns from candidates, by using the data that they gather from the questions and answers provided in the conversations to build out a more comprehensive FAQs section on their website and in their hiring materials.

FURTHER READING

CRF. 2022. **The Realities of the New Working Environment.** Research Report *https://www.crforum.co.uk/research-and-resources/research-the-realities-of-the-new-working-environment*

CRF. 2022. **The Who, What and Why of the Post-Pandemic Office.** Blog *https://www.crforum.co.uk/research-and-resources/blog-the-who-what-and-why-of-the-post-pandemic-office*

CRF. 2022. **Global Talent Trends 2022.** Summary Notes *https://www.crforum.co.uk/research-and-resources/summary-notes-global-talent-trends-2022-from-mercer*